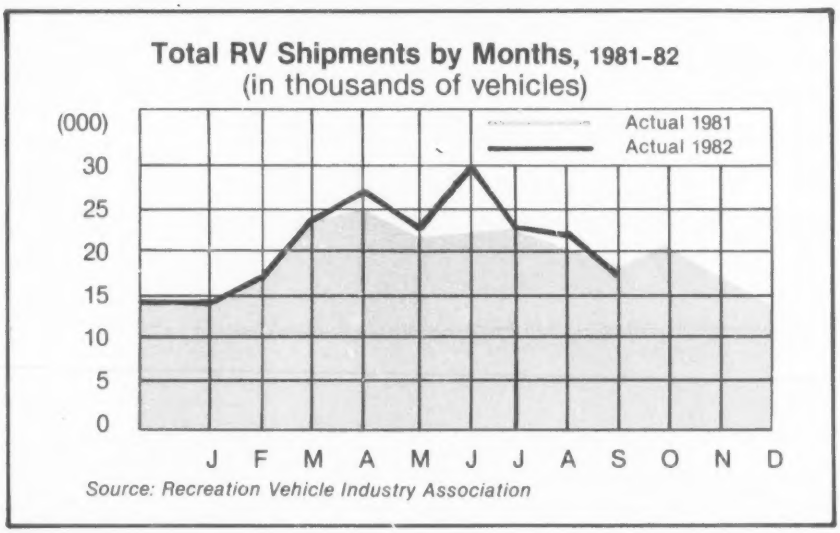
RV FINANCIAL FACTS

A quarterly newsletter for the financial community about RVs and the family camping industry...

Vol. 8, No. 3 Fall, 1982

RV Industry Maintains Its Economic Vitality



Shipments Ahead of '80 and '81

Recreation vehicle shipments from manufacturers to retailers have remained above 1981 levels, according to monthly data charted by RVIA's Marketing Committee.

August RV deliveries were 22,100, up 3.8% from August of last year, while September deliveries totaled 18,600 RVs. RV shipments year-to-date are 199,300, 6.8% ahead of last year and already surpassing 1980 by 17,900 RVs.

September deliveries of the three basic types of recreation vehicles—motor homes, multi-use and towables—showed motor homes with the most improvement, up 14.2% so far this year and up 3.5% over September 1981. In this group, conventional type A shipments had the biggest increase, up 31.5% from the beginning of the year and 36.4% from last September. 1982 shipments of van campers and chopped vans are up 6.5% and 7.1%, respectively.

Multi-use vehicles also recorded positive gains, with shipments 12.2% higher than at year's start.

Following industry trends, towables lagged slightly in September, down a small .6% from January.

Consumer intentions to rent or purchase an RV, regularly charted by the Survey Research Center of the University of Michigan, continue to climb as well. In September, in response to the questions, "Do you think you will rent or buy an RV in the next year or so?" 4.9% said they planned to buy—as opposed to 2.8% in September 1981—and 13.8% said they planned to rent—more than the 13.3% that said so a year ago.

The RV industry continues to astound the experts with its vitality in an otherwsie sluggish economy. Manufacturers are shipping units to dealers, retailer sales are brisk, RV rentals are heavy, and campgrounds are busy! Manufacturer's shipments to retailers clocked a 6.8% growth in the first nine months of 1982 which, on top of a 32% climb in 1981, amounts to an impressive recovery for an industry that suffered in 1980 along with most others depressed by high interest rates, a poor economy and rising gasoline costs.

But unlike other major industries, such as housing, auto, trucking and lumber, the RV industry began to distinguish itself in early 1981 by recording almost immediate and consistent gains in sales, and these gains have continued during 1982.

Shipments through September show that 199,300 RVs have already been delivered by manufacturers to dealers this year. Based on this rate, 1982 RV sales are expected to top the 1980 total of 181,400 units and surpass last year's comeback total of 230,100 shipments.

One tie-in to the health of the RV industry is the occupancy of recreation vehicle campgrounds; this past summer most of them recorded excellent seasons. Kampgrounds of America (KOA), one of the largest family campground chains in the country, had a record year in 1982 in terms of both campers and dollars. KOA had its best month ever in July, according to KOA President Don Ryan, who attributed the increase in campers to a pent-up desire to travel, the availability and stablization of gasoline costs, along with a wish for the more affordable vacations that RVs can offer.

RECREATION VEHICLE INDUSTRY ASSOCIATION

Lenders Protected with RV Titling System

Certificate of Origin Hard to Falsify

A system that protects lenders from the possibilities of theft, fraud, and general hanky panky in the certification, titling and floor planning of recreation vehicles is now required in many states.

The system is obligatory in 15 states, recommended by 8 others, and recognized in all other states. Lenders are now applauding the establishment of the use of a uniform Manufacturer's Certificate of Origin (MCO) that minimizes counterfeiting and makes it virtually impossible to steal a new RV from a manufacturer, dealer, or transporter and subsequently market it with falsified documents.

All Types of Vehicles

The system was developed by the American Association of Motor Vehicle Administrators (AAMVA) for all types of vehicles, when it became apparent that thieves were stealing new vehicles and counterfeiting the old style certificates of origin.

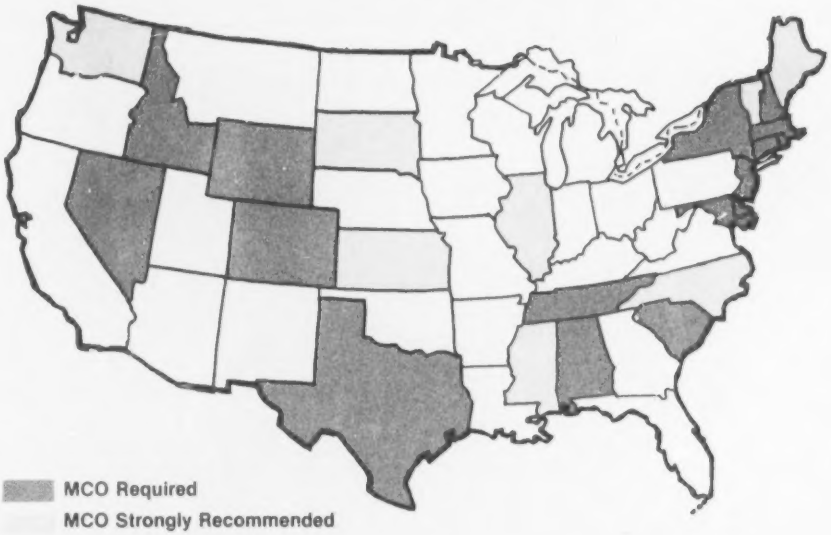
Secret of the success of the system is the intaglio engraving process that is employed in printing the original MCO on which the data is recorded. Intaglio, a type of engraved printing that is also used in the printing of bonds, stock certificates, and currency, incorporates security features into the MCO that make it virtually impossible to duplicate or alter the original document.

Lenders Can Request

Lenders in any state can request that dealers and manufacturers for whom they are establishing financial services use the AAMVA Uniform MCO in the recording of the transaction.

States which mandate the use of the uniform MCO are: Alabama, Colorado, Connecticut, Delaware, Idaho, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, South Carolina, Tennessee, Texas, and Wyoming. In addition, its use is strongly recommended in Illinois, Kansas, Maine, Mississippi, North Carolina, South Dakota, Vermont, and Washington.

The insurance, automotive, and financial industries are working cooperatively to make the use of the MCO uniform throughout the USA.



Design, Ink, Printing Serve To Check Against Chance for MCO Fraud

The Uniform Manufacturer's Certificate of Origin as used in 23 states and recognized by all 50 states, is printed with the intaglio steel engraving process, similar to that used to print currency.

The exclusive design of the MCO certificate carries a brown steel engraved border that can be readily identified by running one's finger over the raised surface to determine that it has "the feel of steel."

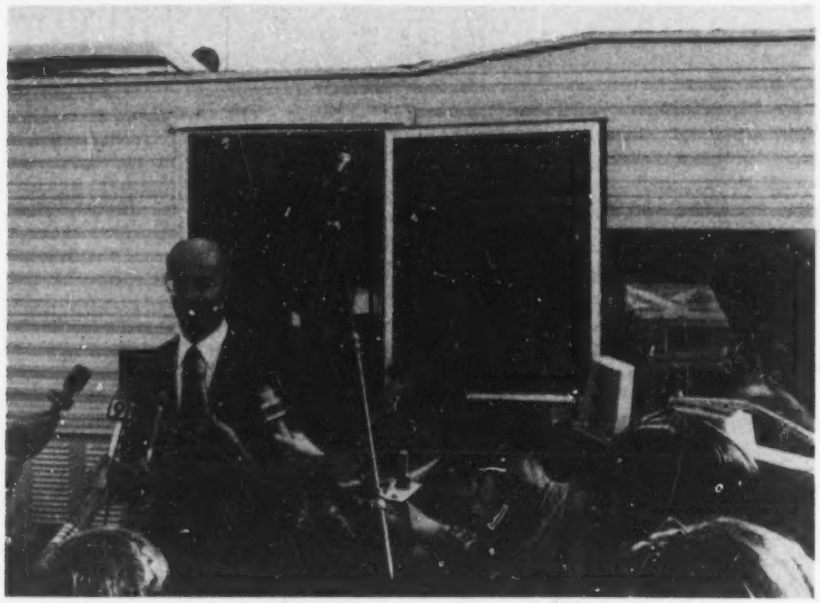
A further check for authenticity, unique to the document, is the latent image that is imprinted into the upper right and left corner on the frong page. This image is not immediately evident, until the document is held up to the light at eye level facing its bottom edge. Flexing the wrists slightly will make the letters "C" and "O" appear and disappear. Neither this process nor the "feel of steel" can be duplicated in ordinary lithographic or photostatic reproduction.

In addition, the background of the form is imprinted in lightly screened blue and brown felb inks that make erasures, bleaches, alcohol, and other chemicals used for eradication or alteration very visible, so that tampering with the typed information on the document becomes readily evident.

Still another safeguard is the addition of fluorescent pigments in the inks used for printing and the use of "optically dead" paper. Both of these further corroborate the authenticity of the MCO when it is placed under an ultraviolet light; a bright reflection is produced from the ink and the paper does not reflect at all.

How to View the Latent Image in the MCO

- **Face an overhead light source**
- **Line up eyes directly behind the latent image**
- **Hold document at arm's length**
- **Raise or lower document until latent image appears**



Secretary of the Interior James Watt *fields questions from the press as he tours the 30th Annual RV and Manufactured Housing Show at Dodger Stadium, Los Angeles, Nov. 4.*

Watt Praises Industry Innovations; Pledges More Acreage for Recreation

Secretary of the Interior James Watt toured RVIA's annual Dodger Stadium Show in Los Angeles, November 4, where he visisted the exhibits of nearly two dozen RV manufacturers and told a flock of reporters that he has a good alliance with the RV builders of America because "they are a tremendous example of how the private sector can adapt to change. Motor homes, which once guzzled a gallon of gas every 7 miles, now get as much as 25 miles to each gallon. Lighter-weight trailers have been produced for towing behind today's 4 and 6 cylinder cars.

Standing amid a sea of more than 600 RVs on exhibit at the 30th annual show in Los Angeles, Watt emphasized his belief that America's parks, refuges and forest service lands must be made accessible to all Americans.

Multiple Options

"We believe in freedom of choice," he said. "So if you want to be a backpacker, there are wilderness areas. And if you want to take an RV into Yellowstone or Yosemite, you can do that, too. We need these multiple options."

When asked by a reporter how much off-shore oil drilling will be necessary to reclaim all of the petroleum RVs use, Watt defended the industry's use of energy.

"They use very little energy, relatively speaking," he said. "When you go in your recreation vehicle to see one of our national parks or refuge areas you aren't driving to work, you're not heating your home or you're not air conditioning your home. And they provide an opportunity for the American people to see the beauty of this land."

More Acres for Recreation

Speaking later that evening to an audience of more than 200 members of the American Recreation Coalition, whom Watt described as "a group of good American people who are creating jobs and improving the quality of life for all Americans," the Secretary reiterated his commitment to restoring existing parks and to making "millions of acres of new park and recreation land more readily available to the American people.

"We cannot do this, however, without help," Watt said. "We need partners. The private sector can help us accomplish what the federal government is unlikely to be able to do.

Calling the recreation industry with its estimated 5 million employees "an extremely important part of the American economy," Secretary Watt said as the economy improves he foresees "a tremendous boom in all segments of your industry because of America's love for the land and growing demand for active recreation."

The Dodger Show was open to the RV industry November 3 to 5 and to the public November 6 to 14. In spite of the necessity of closing the show for a day and a half because of torrential rains, more than 112,000 people visited the exhibits during public days—the second highest attendance in the show's 30-year history.

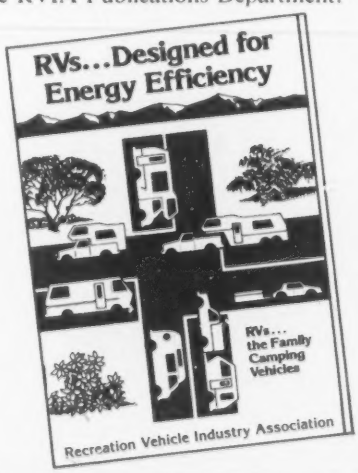
Energy Efficiency Feature of RV Book

RVs today are being built more energy efficient than ever to keep pace with increased conservation demands by American consumers, and this is the subject of RVIA's newly published booklet, *RVs . . . Designed for Energy Efficiency.*

The 24-page booklet is based on a compilation of data from a recent survey made of all RVIA member manufacturers and component parts suppliers who were asked what new energy-conserving measures they are incorporating into their latest model RVs as well as operational procedures.

The survey results show that many innovative efforts are being made, including the use of lighterweight construction materials and appliances, aerodynamic exterior lines, space-saving interior designs, and alternate fuel technologies. All of these measures are aimed at increasing fuel mileage and therefore the energy efficiency of recreation vehicles.

A copy of *RVs . . . Designed for Energy Efficiency* is being sent to all lenders and RVIA members with this fall issue of *Financial Facts.* Additional copies of the booklet are available in quantity discount rates by contacting the RVIA Publications Department.



Loans Paid On Time

RV Buyers Rate High with Lenders

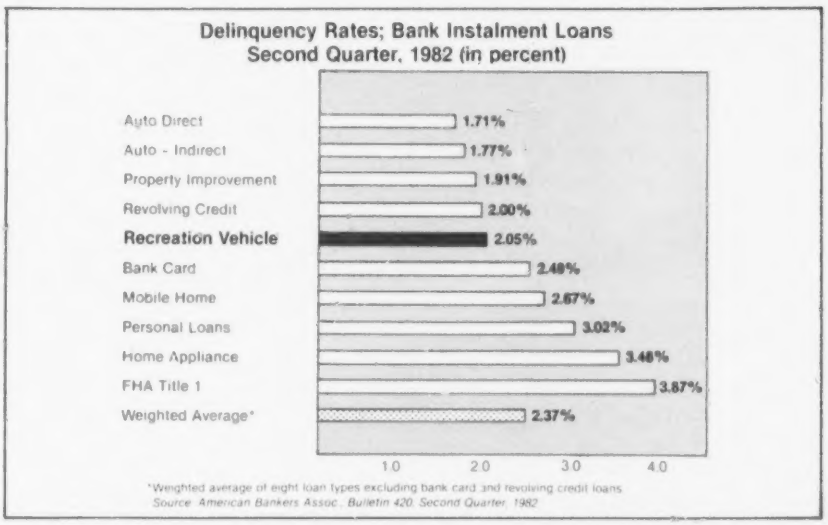
Delinquencies of all types of loans, including RV loans, declined in the second quarter of 1982, according to figures released by the American Bankers Association.

Only 2.05% of RV loans were delinquent, down from their 2.09% rating in the first quarter, and considerably better than the weighted average of 2.19% for all loans.

Direct auto loans maintained their traditional first-place position in the delinquency ratings with a 1.71% average. Indirect loans at 1.77% ranked in second position.

Other ratings were property improvement loans at 1.91%, revolving credit at 2%, bank card loans at 2.49%, mobile home loans at 2.67%, personal loans at 3.02%, home appliance loans at 3.48%. FHA Title loans were in last position with a 3.87% rating.

The ABA defines a delinquent loan as one that is 30 days past due.



RV FINANCIAL FACTS

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Jacobson Elected RVIA Chairman

Norm Jacobson, vice president of Contempo Enterprises in North Hollywood, Calif., was elected chairman of the board at RVIA's National Board of Directors meeting Sept. 22 in Los Angeles.

Jacobson succeeds Elden Smith, vice president, RV Group, Fleetwood Enterprises, Inc., Riverside, Calif., who served two one-year terms in the association's highest elected post.

Gene Stout of Coachmen Industries, Inc., Middlebury, Ind., was elected 1st vice chairman of the board, and John Casey, president of Shurflo in Anaheim, Calif., was elected 2nd vice chairman.

In addition, Charles Willibrand, president of Play-Mor Trailers, Inc., Westphalia, Mo., was reelected RVIA secretary, and Warren Jones, president and chief operating officer of Hehr International Inc., Los Angeles, was reelected treasurer.

These officers, along with David J. Humphreys, RVIA's president and general counsel, and Elden Smith, ex-officio chairman of the board, form RVIA's Executive Committee for 1983.

In an association-wide election in September, eight industry officials were either elected or reelected to the National Board, including Jacobson to fill an at-large seat, Stout as a motor home manufacturer representative and Willibrand as a travel trailer manufacturer representative.

Other officials reelected to the board are: John Zimmerman, president of Sunline Coach Company, Denver, Penn., as a truck camper manufacturer representative, and Gerald Boman,

Norm Jacobson

senior vice president of Winnebago Industries, Inc., Forest City, Iowa, to fill an at-large seat.

Newly elected officials to fill seats on the board are Dave Henry, president of Overland Industries, Inc., Orange, Calif., as a motor home representative; and Don Cuzzocrea, president of Starcraft R.V., Topeka, Ind., and Bud Coons, president of Coons Manufacturing, Inc., Oswego, Ks., as at-large representatives.

Jacobson, a 15-year veteran of the RV industry, has been an RVIA board member since the association's inception in 1974. He also has served on three of the association's committees—Communications, Public & Legislative Affairs and Auto Liaison—and as 1st vice chairman of the board this past year. He co-founded Contempo Enterprises, which produces van campers and multi-use vehicles, in 1968.

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RV FINANCIAL FACTS

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Vol. 8, No. 4 Winter '82-83

Year-End Shipments Outpace '81 by 8%

The RV industry, sparked by a 32% increase in shipments from manufacturers to dealers in 1981, racked up another 8% gain in 1982, making both 1981 and 1982 outstanding recovery years, according to data recently charted by RVIA's Marketing Committee.

Total RV shipments for 1982 reached 258,000, considerably outpacing the 1981 total of 239,000 and the 1980 total of 181,400.

Of the three basic types of recreation vehicles—motor homes, multi-use and towables—motor homes showed the largest yearly percentage increase, up 16.4%, with 35,400 units delivered. Multi-use vehicle shipments climbed 11.5% (99,800 units delivered) and shipments of towables increased 1.5% (105,500 units delivered).

Consumer intentions to rent or purchase an RV, regularly charted by the Survey Research Center of the University of Michigan, continued to be favorable for the year. In December, when asked "Do you think you will rent or buy an RV in the next year or so?" 4% said they plan to buy and 15.9% said they plan to rent.

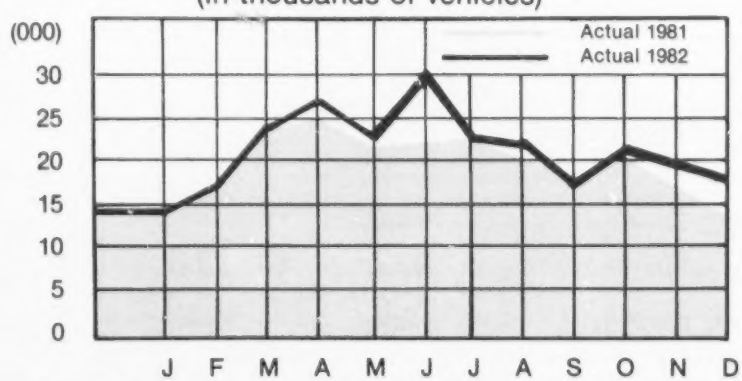
Why is the RV industry doing so well at a time when many other industries are feeling the pinch of recession?

"There are two reasons," says David J. Humphreys, RVIA's president and general counsel. "First, two-thirds of RV customers are repeat buyers who held off buying an RV in 1979 and 1980 because of high interest rates and the gas situation, but now this pent-up demand is being released.

"Second, in these times of recession, many families are discovering that they can't afford hotel/restaurant vacations, and they're finding RV vacations can be more economical.

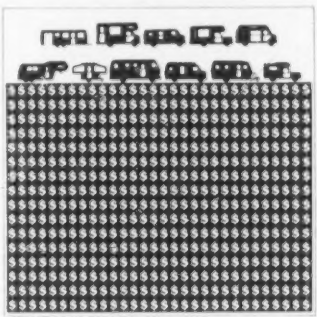
(more on page 2)

Total RV Shipments by Months, 1981-82
(in thousands of vehicles)



Source: Recreation Vehicle Industry Association

1982 Survey
Recreation Vehicle
FINANCING



Direct • Indirect • Wholesale

RVIA Recreation Vehicle Industry Association

Lenders Like RV Loan Profits

RV loans are more profitable than all other types of consumer loans, including auto loans, according to a recent survey of financial institutions commissioned by RVIA's Finance Committee.

The survey, conducted by Jon Whitney Associates of Whiting, Ind., queried 2,500 commercial banks, sales installment finance firms and credit unions about their experiences in lending to RV manufacturers, dealers and RV owners in 1981.

Replies were received from 142 financial institutions representing 4,430 locations. Most indicated they were well pleased with the performance of

(more on page 3)

Sheldon Coleman (r), chairman of the board and chief executive officer of the Coleman Co., Inc., *receives a special commendation for "meritorious service to the recreation industry" at RVIA's Annual Meeting, Feb. 9 in Freeport, Bahamas. Elden Smith (l), vice president—RV Group, Fleetwood Enterprises, and RVIA's 1982 chairman of the board, makes the presentation.*

Kudos for a Winner

RVIA Honors Coleman Chairman On 60-year Career as Conservationist

Sheldon Coleman, dynamic octogenarian chairman of the board and chief executive officer of the Coleman Co., Inc., of Wichita, Kan., was honored by RVIA with a special commendation for "meritorious service to the recreation industry" February 9 at the association's annual meeting in Freeport, Bahamas.

"The membership of this Association wish to express their collective appreciation to Sheldon Coleman for the inspiration and guidance he has set for others to follow who are also committed to the enhancement and enjoyment of America's magnificent outdoor beauty," said Elden Smith, vice president—RV Group, Fleetwood Enterprises and RVIA's 1982 chairman of the board, who presided over the ceremony honoring Coleman.

Sportsman, Conservationist

An avid sportsman and conservationist, Coleman has participated in many recreation causes, most recently as a member of the Outdoor Recreation Policy Review Group, a group of prominent business and conservation leaders headed by Laurance S. Rockefeller, which last month released a major new study titled "Outdoor Recreation for America—1983."

He was cited for this and several other accomplishments in the commendation from RVIA, including:

- "his guidance of the Coleman Company during a career already spanning 60 years and marked by a visionary understanding of the importance Americans place on outdoor fun,"
- "his unflinching commitment to quality, to value, to research and development and to consumer satisfaction which has earned extraordinary respect in the marketplace,"
- "his commitment to the active advocacy of conservation and recreation causes long before they were prominent politically," and
- "his talent for inspiring a love for an active use of the outdoors by designing and improving recreational equipment of all types."

'82 Finance Survey in the Works

How profitable is an RV portfolio? What portion of the entire loan portfolio does it represent? What are the most common terms extended for RV loans? These and a host of other questions will be answered when RVIA's 4th annual survey of RV financing is compiled. Questionnaires were mailed in mid February to 4,100 banks, credit unions, sales installment finance firms, and savings and loan institutions, querying them about their RV financing experience in 1982.

The survey, sponsored by RVIA's Finance Committee, queries the financial institutions on their activities in direct, indirect, and wholesale financing as it pertains to family camping vehicles. This marks the first time that S&Ls have been included in the survey since they have been empowered to make RV loans.

"The response to last year's survey was good and, with the increased activity of both S&Ls and credit unions, we hope to achieve even greater participation this year," said Robert L. Berner, vice president of Citicorp in New York and chairman of RVIA's Finance Committee.

Mailing of the survey questionnaire was changed to February from the prior mid summer schedule to more closely coincide with the banking calendar and to make it more expedient for financial officers to supply year-end figures.

The results will be compiled and analyzed by Jon Whitney Associates of Whiting, Ind., specialists in marketing research and forecasting in the recreation vehicle and manufactured housing industries.

"Our objective in sponsoring the survey," said Berner, "is to insure the profitability of RV portfolios and to provide purchasing power for family camping vehicle buyers."

Shipments Up *(from page 1)*

"We're not surprised 1982 turned out to be so upbeat," Humphreys said. "All year, manufacturers and dealers told us of their success, campgrounds nationwide reported record numbers of RV campers, and consumer interest in the RV lifestyle seemed to soar.

"What we're aiming for now is continued success in 1983."

RV Committee Meets Detroit Auto Makers

Members of RVIA's Automotive Liaison Committee met with four domestic auto manufacturers in Detroit, January 18-19, as part of the association's efforts to promote more active two-way communication and cooperation between the RV industry and its major chassis suppliers.

The committee, which includes top officials representing all segments of the RV industry, met separately with representatives of GMC, Chrysler, Ford and Chevrolet to discuss mutual problems and opportunities for joint action with regard to the manufacture of van conversions and motor homes, towing of travel trailers, and marketing of truck campers.

Van Conversion Standards

The auto manufacturers and RVIA discussed the development of an RVIA standards program for van conversions, which will assist van conversion manufacturers in complying with existing federal and state standards in a manner similar to the RVIA standards monitoring program now in place for all other recreation vehicles.

"The program was given initial support by the big four, who agreed to work with us in the development of such a plan," said David J. Humphreys, RVIA's president and general counsel and chairman of the Automotive Liaison Committee.

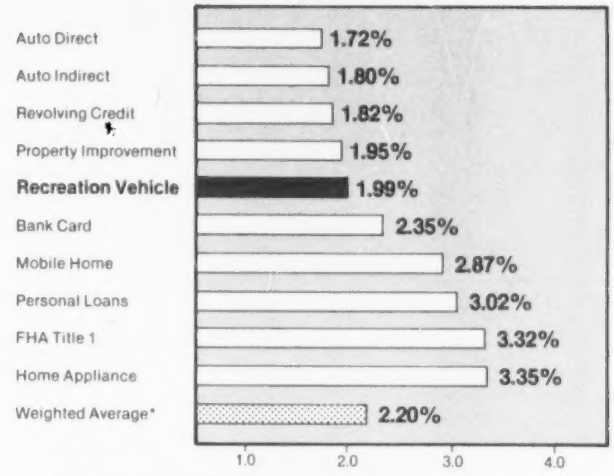
Guidelines for Converters

"It will have the same benefits as RVIA's other standards program in that it should help reduce manufacturer liability, give clear guidelines to van converters, and serve as an indicator of compliance to van dealers and potential customers."

To get a closer look at the manufacture of RV chassis, the Automotive Liaison Committee toured a GMC-Chevrolet truck plant in Pontiac, January 18, and the Chrysler Corporation's van plant in Pillette, Canada, January 19.

"The automotive industry wanted, and I think we gave them, a clearer perception of the size, scope, needs, wants and services of the RV industry," Humphreys said. "Many substantive issues were discussed at the meetings, and by working together in the future, our mutual goals should be that much easier to reach."

Delinquency Rates: Bank Instalment Loans Third Quarter, 1982 (in percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans.
Source: American Bankers Association, Bulletin 421, Third Quarter, 1982

RV Loan Profits *(from page 1)*

their RV portfolios. A total of 92 percent said their RV loans were as or more profitable than auto loans, and 84 percent said their RV loans were as or more profitable than all other types of loans they made.

Majority To Continue

Considering this profitability, it's not surprising that almost three-quarters of those responding reported they will continue their RV financing programs, while more than one-quarter (who presently don't finance RVs) indicated they will do so in the near future.

Respondents to the survey included 108 banks operating from 3,461 locations; 16 sales installment finance companies with 942 locations, and 18 credit unions with 27 operating locations—representing a total of 4,430 doors open to RV financing during 1981. This compared with 4,125 in the 1980 and 781 in the first survey conducted on '79 experiences. The survey is the third successive one of its kind.

At present, 89 percent of those responding provide retail direct RV loans, 70 percent provide retail indirect RV loans and 67 percent provide wholesale RV loans. About half (48 percent) reported they have been financing new and used RVs between 10 and 20 years, while a full 80 percent have been active in RV loans for more than 6 years.

RV Buyers Prompt in Loan Payments

Only 1.99% of RV loans were delinquent in the third quarter of 1982, continuing a drop from the first quarter (2.09%) and the second quarter (2.05%), according to figures released by the American Bankers Association.

As usual, RV loans rated considerably better than the weighted average for all consumer loans which had a delinquency rate of 2.20% and they were among the top five best-performing loan types in a field of ten charted by the ABA.

Direct auto loans continued to lead the field of low delinquencies in the third quarter, with a rate of 1.72%. Others charted were: indirect auto loans (1.80%), revolving credit loans (1.82%), property improvement loans (1.95%), bank card loans (2.35%), mobile home loans (2.87%), personal loans (3.02%), FHA Title 1 loans (3.32%) and home appliance loans (3.35%).

The ABA defines a delinquent loan as one that is 30 days past due.

$1.2 Billion in RV Loans

The combined value of the loan portfolios of all 142 reporting lenders was $22.3 billion in 1981, of which $1.2 billion, or 5.4 percent, was in RV

(more on page 4)

"Faster Selling" was the subject of one workshop at dealer seminar sponsored by RVIA Finance Committee at mid winter trade shows.

Lender/Dealer Relations Subject of Industry Seminar

Increasing RV sales by "Getting and Keeping Wholesale and Retail RV Financing" was the subject of two RV dealer workshops held mid winter at RVIA's 30th Annual Recreation Vehicle and Manufactured Housing Show in Los Angeles and RVIA's 20th Annual National RV Show in Louisville, Ky. The workshops were conducted by RVIA Finance Committee Chairman Robert L. Berner, vice president of Citicorp in New York, and RVIA Finance Committee members Gordon E. (Mike) Gilbert, assistant to the chairman of Coachmen Industries in Middlebury, Ind., and Robert R. Rawlings, vice president of CIT Financial Services in New York. The aim of the workshops was to familiarize dealers with the requirements of lending officers when they are making RV loans and to promote closer dealer/loan officer partnerships characterized by a continual exchange of information.

RV Loan Profits *(from page 3)*

financing. Banks accounted for 55 percent of the volume, finance companies for 44 percent and credit unions for less than one-half percent.

In terms of delinquencies, the reporting lenders indicated that their consumer loans for new and used RVs had only a 1.92 percent default rate, lower than the 2 percent charted by the American Bankers Association for 1981. The RV repossession rate was also low—less than 2 percent (1.70 percent) of consumer loans.

"This low delinquency rate for RV loans indicates that RV owners are serious about their RVs and enjoy the lifestyle to the extent that they don't want to jeopardize it by defaulting on their loans," said Robert L. Berner, vice president of Citicorp in New York and chairman of the RVIA Finance Committee.

The survey indicates the average loan for a new RV is negotiated for about 7 years, while the average loan for a used RV is negotiated over a 3 to 5 year period. Typically, an RV loan requires 20 to 25 percent down payment.

The survey findings and additional information about the RV marketplace—including distribution patterns, buyer trends, credit habits, the demographics of RV consumers, definitions of each type of RV and the future outlook for camping as determined by the Survey Research Center at the University of Michigan—have been compiled into a 32-page report titled "1982 Survey on Recreation Vehicle Financing." Financial institutions participating in the survey have already received complimentary copies of the report. Other lenders can receive complimentary copies by writing to the RVIA Finance Committee, Dept. FS, P.O. Box 204, Chantilly, VA 22021.

Humphreys Named to Travel, Tourism Executive Committee

David J. Humphreys, RVIA's president and general counsel, has been elected to the 1983 Executive Committee of the Travel and Tourism Government Affairs Council.

The council, an affiliate of the Travel Industry Association of America (TIA), is the national organization representing the unified travel industry viewpoint on legislative and regulatory issues of common concern.

As a member of the Executive Committee, Humphreys will serve with officials of such companies and associations as: New York Convention & Visitors Bureau, Air Transport Association, American Express Company, Holiday Inns, Inc., American Hotel and Motel Association and American Bus Association.

In addition to serving on the Travel and Tourism Government Affairs Council, Humphreys also represents the industry as a member of the advisory board of the U.S. Congressional Travel and Tourism Caucus and as chairman of the board of the American Recreation Coalition (ARC).

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RVIA Finance Committee:
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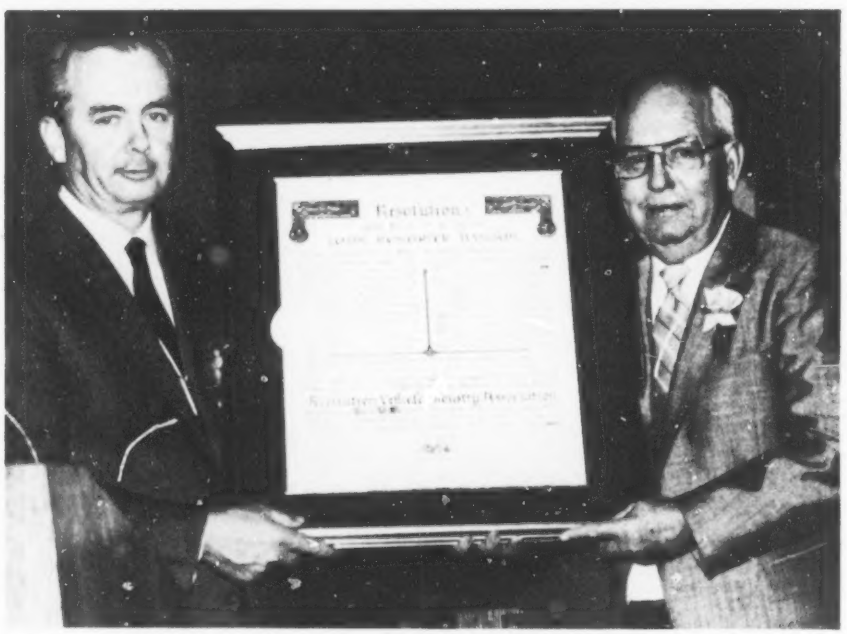
RV FINANCIAL FACTS

A quarterly newsletter for the financial community about RVs and the family camping industry...

Vol. 9, No. 1 Spring 1983



John Hanson (r), founder and chairman of Winnebago Industries, accepts testimonial presented by David Humphreys, RVIA president and general counsel, on behalf of RVIA membership for his unique contributions to the strength and growth of the RV industry.

Winnebago Founder Honored by RVIA At Firm's 25th Anniversary Gala

John K. Hanson, founder and chairman of the board of Winnebago Industries, Inc. in Forest City, Iowa, was honored by RVIA with a special illuminated calligraphic testimonial "for the unique contributions he has made to the strength and growth of the RV industry" at Winnebago's 25th anniversary celebration in Forest City, April 22.

The testimonial called Hanson "a pioneer and innovative leader in the recreation vehicle industry" and recognized him as "untiring and unselfish in his efforts to keep Winnebago and the RV industry strong and growing."

"His leadership and acumen as an industry catalyst have won him the admiration, respect and friendship of RV manufacturers, RV component parts suppliers, RV dealers, RV campground owners and RV owners," said David J. Humphreys, RVIA's president and general counsel, who made the presentation.

Hanson, a community and business leader in Forest City for more than 50 years, has served with numerous groups and has received many honors and awards. He has made Winnebago one of the nation's largest manufac-

(continued to page 4)

Dealers Elated! Business Booming At RV Retail Shows

RV dealers are happy! More customers are coming to look—and staying to buy! All across the country—from California to New Jersey—the story is the same. RV dealer shows are upbeat . . . the mood is optimistic. Americans are rediscovering RVs and the joys of the RV lifestyle.

"Absolutely phenomenal," enthused Michael Dobrin, show manager of the East Bay RV Dealers Association, in describing the '83 RV/Offroad Camping Show sponsored by the association in March at the Oakland (CA) Coliseum.

Record sales were made during and following the show, attended by about 40,000 people (47% more than last year!) who saw thousands of the latest RVs of all types and sizes in every price range.

Record Sales

"The show, now in its sixteenth year, was an unqualified success on all fronts," Dobrin said, "with record sales chalked up during and immediately after it."

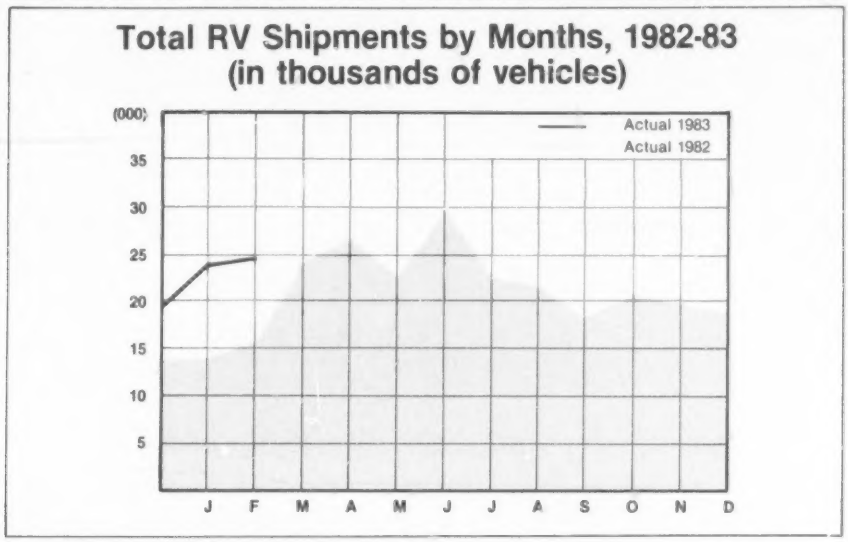
He said: "From all accounts, demand and sales will continue to rise into the summer and 1983 will be a record year, looking very much like the early '70s, when RV sales were at their peak."

On the east coast, retail RV shows went equally well according to show promoter Jim McLaughlin of Parkway Productions, Inc., Manasquan, N.J., which has produced four RV shows so far this year.

"Our largest show—the New Jersey Trailer, Camping and Sports Show

(continued on page 2)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA



'83 Looks Great: Shipments Surge Ahead

The RV industry is starting off 1983 in high gear, with RV shipments from manufacturers to retailers climbing well ahead of 1981 and 1982, according to monthly data charted by RVIA's Marketing Committee.

Shipments through February—the latest month for which figures are available—already total 48,800, up 53.9% over last year at this time.

January RV shipments totaled 24,000, up a resounding 62% from 14,800 in January 1982; and February shipments totaled 24,800, up from 16,900 in February 1982.

February deliveries showed that of the three basic types of RVs—motor homes, multi-use and towables—multi-use vehicles had the largest percentage increase from last year, up 100.9%, while motor homes were up 50% and towables increased 20.1%.

In the motor home category, the largest units (conventional type A) took the biggest February leap (up 61.5%), followed closely by van campers (60%) and then by chopped vans (36%).

Consumer intentions to rent or purchase RVs, regularly charted by the Survey Research Center of the University of Michigan, also reflected a positive note to begin the year. In January, of consumers asked the question, "Would you consider renting or buying a recreation vehicle in the next year or so?" 4.9% said they plan to buy and 13.4% said they plan to rent.

Happy Dealers *(continued from page 1)*

held in Asbury Park, N.J., in January—was sold out wall-to-wall like it is every year. Attendance reached 27,000, and there were a tremendous amount of sales," according to McLaughlin.

McLaughlin conducted an informal survey of dealers at the show and found out "they had the best February and March they've ever had, with one dealer ending the month of March selling as many RVs as it took him until July of last year to sell."

Success: Texas Style

Shining bright in the Lone Star State of Texas, the Southwest Super Show VIII at the Dallas Convention Center in March lived up to its name and drew almost one million people, according to Cliff Houy, executive director of the Texas RV Association, sponsors of the show.

"We have had some fantastic show," Houy said, "and I understand that sales on dealer lots afterwards were equally outstanding."

"Buyers seem much more positive and anxious to buy recreation products so they can get outdoors; it looks like solid sales through spring and into summer in the Southwest," Houy said.

Same story in the Midwest, with the Capitol City RV & Camping Show at the Indiana State Fairgrounds in late January having its best attendance in the last six years, attracting about 15,000 people.

According to Bud Lachmann of the Indiana Manufactured Housing Association, the show was characterized by "fantastic retail activity."

"No dealer went away unhappy," he said.

Midwest Retailers Host RV Seminars For Area Lenders

Financial executives in the St. Louis and Chicago areas were recent guests at two RV seminars preceding recreation vehicle shows sponsored by area dealers in mid-March. In St. Louis, the Midwest Gateway Recreation Vehicle Dealers Association held a reception that drew nearly 60 lenders, while the Chicagoland Dealer Group hosted more than 30 financial officers at a breakfast session. Guest speakers at the two events were RVIA's vice president of public affairs, William R. Garpow, and James Summers, executive vice president of the Recreation Vehicle Dealers Association, Fairfax, Va.

Both groups heard the good news that the industry has to tell regarding a rebound in manufacturer shipments from 1980's level (see this page), with its attendant resurgence of customer activity and sales at the retail level as well as the phenomenal growth of the RV rental market.

Consumer Profile

Garpow, who acts as staff liaison to RVIA's Finance Committee, provided a marketing profile of the RV consumer, his credit buying history, and low delinquency rating. He also gave highlights of RVIA's 1981 survey of banks, sales instalment finance firms, and credit unions regarding their experiences in RV financing, in which more than 90% of the respondents indicated they find RV loans as profitable—*or more profitable*—than auto loans. In addition, each lender was given a packet of industry resource material designed to help him in expanding or creating a profitable RV portfolio.

The lenders were also invited to participate in RVIA's survey of 1982 RV Financing which the Finance Committee conducted in March. Results of that survey, which is the largest yet, will be published in early summer.

FALL

1982

SPRING

1983

Rep. Bill Bonner (D-TN), center, chairman of the U.S. Congressional Travel and Tourism Caucus, chats with Randall Henderson, Jr. (l.) president of Outdoor Resorts of America, developers of condominium campgrounds, and David Humphreys, RVIA president and general counsel, during ARC's Capitol Hill briefing and reception for key Congressional staff members.

"Fun and Jobs for America"

ARC Briefing for Congressional Aides Reviews Key Recreation Issues

The American Recreation Coalition (ARC) sponsored a Congressional briefing, Wednesday, April 20 at the Rayburn House Office Building in Washington, D.C. to inform congressional staff members of the current status and needs of recreation in America and to provide them with information on specific types of recreation, including camping and the RV lifestyle.

Approximately 115 key congressional aides and staff and 11 Congressmen attended the event, titled "Recreation—Fun and Jobs for America."

Derrick Crandall, president of ARC, provided the group with an overview of the economic and social benefits of leisure and its importance to the American public. He noted that:

- A total of 9% of all U.S. employment is generated by sales of leisure/recreational products and services,
- Consumers spend over $100 billion each year on outdoor recreation alone, and
- Recreation vehicle sales alone represent $2.8 billion in direct consumer purchases.

David J. Humphreys, RVIA's president and general counsel, spoke about the need for new legislation, program funding, and private/public sector cooperation in the recreation area.

Also speaking was Professor Donald Hawkins of George Washington University, who said, "Today, Americans turn to recreation with an intensity greater than ever before in our history because our everyday lives are more stressful than ever before. Leisure-time pursuits provide them with a sense of fulfillment."

Ann Clurman, vice president of Yankelovich, Skelly & White, a New York marketing consulting firm, noted that American leisure in the '80s will be characterized by an increased concern with group activity such as family travel.

Randall Henderson, Jr., president and chief executive officer of Outdoor Resorts of America, developers of condominium campgrounds in the Southeast and Southwest, discussed the scope, growth and economic impact of the recreation industry.

At a reception afterwards, the government officials had the opportunity to visit information booths representing different segments of the recreation industry. RVIA shared an information booth with Recreation Vehicle Dealers Association and together they were able to show dozens of key Hill staffers, as well as Congressmen themselves, how the different facets of the RV industry work together to the benefit of the consumer.

RV Rentals to Grow With Planned Influx Of Foreign Visitors

Promoting travel and tourism in the United States to tourists abroad—thus bringing more foreign travel dollars into the U.S.—is a goal of proposed Senate Bill 212, and could have an impact on the already growing RV rental market.

"RV rentals are growing in popularity and, for many foreign tourists, renting an RV is an ideal way to get a close-up look at the U.S.," said David J. Humphreys, president and general counsel of RVIA.

S. 212 would provide for a three-year authorization of funds (starting October 1983) for the U.S. Travel and Tourism Administration (USTTA) which is charged under the National Tourism Policy Act of 1981 with promoting the United States as an international destination for foreign tourists.

The bill would authorize $13 million for Fiscal Year (FY) 1984, $14 million for FY 1985, and $15 million for FY 1986.

More Competitive Role

"These funding levels would enable USTTA to better compete with other nations' more liberally funded tourism promotion operations and, consequently, help move the U.S. toward a more competitive position in the world marketplace," according to William D. Toohey, president of the Travel Industry Association (TIA) of America.

The bill, introduced into the Senate Subcommittee on Business, Trade and Tourism by its chairman, Senator Larry Pressler (R-S.D.), has already picked up 30 co-sponsors. It will go before the full Senate for consideration in early May, and a similar bill has already been approved by the House Subcommittee on Commerce, Transportation, and Tourism.

The Executive Committee of the USTTA has plans to coordinate a grass roots campaign to inform Congress on the economic benefits related to the promotion of international tourism in order to assure ultimate passage of the legislation.

Planning for 2000

Senate Bill Would Safeguard Recreation

U.S. Sen. Malcom Wallop (R-WY) spoke before the April meeting of the American Recreation Coalition (ARC) Roundtable in Washington, D.C., telling the industry leaders that recreation "is clearly an issue deserving of national attention."

Wallop, chairman of the Senate Subcommittee on Public Lands and Reserved Water, has introduced legislation (S. 1090) that would establish a National Outdoor Recreation Resources Review Commission "to assure the continued availability of quality outdoor recreation experiences in America to the year 2000."

Asked about the economic impact of recreation in America, Sen. Wallop noted ARC figures that the leisure/recreation industry accounts for $250 billion per annum, about 9% of the Net National Product.

ARC is a broadly based membership organization of more than 85 national and regional recreation associations and corporations, including RVIA.

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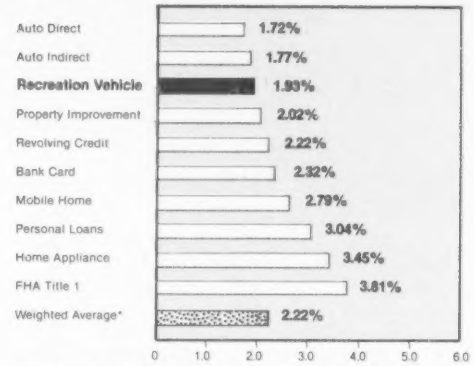
Delinquency Rates; Bank Instalment Loans Fourth Quarter, 1982 (in percent)



*Weighted average of 8 loan types, excluding bank card and revolving credit loans.
Source: American Bankers Association, Bulletin 422, Fourth Quarter, 1982.

RV Delinquency Rate Drops—Again!

RV owners continue their good repayment rate on RV loans.

RV loan delinquencies dropped to 1.93% in the fourth quarter of 1982—from 2.07% in the first quarter, 2.05% in the second quarter, and 1.99% in the third quarter—making RV loans the third highest in the repayment rating of the ten loan types charted quarterly by the American Bankers Association.

"This low delinquency rate for RV loans indicates that RV buyers are dedicated to the RV lifestyle and they're determined to continue enjoying it," according to Robert L. Berner, vice president of Citicorp in New York and chairman of RVIA's Finance Committee.

ABA's fourth quarter figures show that RV loan repayments were topped only by direct and indirect auto loans, with 1.72% and 1.77% respectively.

Other loan types charted were: property improvement (2.02%), revolving credit (2.22%), bank card (2.32%), mobile home (2.79%), personal (3.04%), home appliance (3.45%), and FHA Title I (3.81%).

For the entire year of 1982, only 2.02% of RV loans were delinquent, ranking fourth behind direct auto loans (1.74%), indirect auto loans (1.83%), and property improvement loans (1.99%).

At all times during the year, RV loans rated among the five best in loan repayments. ABA's yearly weighted average of all delinquent loans was 2.25%.

The ABA defines a delinquent loan as one that is 30 days or more past due.

Hanson Honored *(continued from page 1)*

turers of RVs and a prominent company on the New York Stock Exchange.

Hanson's contributions to the RV industry include:

- His early leadership in promoting the RV lifestyle and building the groundwork of the RV industry as a result of his own love of camping and the outdoors;
- Initiating adaptation of assembly-line techniques to revolutionize the manufacture of RVs in 1965, contributing substantially to a decade of unprecedented industry growth;
- His membership on and chairmanship of early industry-wide committees that wrote guidelines for building RVs and contemporary campgrounds;
- Serving as chairman of the National Recreation Vehicle Manufacturer's Association in the 1960s;
- Playing a key role in the formation and growth of RVIA by providing talented executives who have served on its Communications, Finance, Lawyers, Marketing, Public and Legislative Affairs, Show and Standards committees.
- Inspiring the continual use of innovation in the design of modern RVs.

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RV FINANCIAL FACTS

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Vol. 9, No. 2 Summer 1983

Top NYSE Economist William Freund To Headline RVIA Lenders Day Seminar

Dr. William Freund, senior vice president and chief economist of the New York Stock Exchange, will headline the November 30 Lenders Day program to be held during RVIA's National Show at the Kentucky Fair and Exposition Center in Louisville. The announcement was made by Robert L. Berner, vice president of Citicorp, and chairman of the RVIA Finance Committee, sponsor of the event.

"Dr. Freund will gear his remarks especially to the lending community," promises Berner. "In addition to his timely perceptions on the general economic climate," said Berner, "he will provide insight into the profit opportunities that the RV industry presents to the lending community in light of its current deregulation process. We are delighted to provide the opportunity for the lending community to hear and meet this popular and respected economist."

William C. Freund

Current, Future Outlooks

Also appearing on the program with Freund will be David J. Humphreys, RVIA's president and general counsel, who will detail the current state of the RV industry, and Ann Clurman, vice president of Yankelovich, Skelly & White, well-known marketing consultants, who will give highlights of their study on the long-term outlook of the RV industry, scheduled for completion this fall.

William R. Garpow, RVIA's vice president of public affairs, will highlight findings of RVIA's recent survey detailing the 1982 experiences of lenders with their RV portfolios. Norman Jacobson, Contempo Enterprises, Hollywood, Ca., Chairman of RVIA's Board of Directors, will discuss design changes made by the manufacturers in their 1984 models in their ongoing efforts to make their products more energy efficient. The program will be chaired by Berner.

Especially for Lenders

The entire program has been geared exclusively to the interests of the lenders, and will convene at 1 o'clock at the Executive West Hotel located less than a mile from the Louisville airport. The panel presentations will conclude at 3:00, and be followed by an hour's tour of the mammoth half million square foot exposition, providing lenders with the opportunity to see the 1984 lines of energy efficient aerodynamically styled RVs as they are introduced by manufacturers to their dealer

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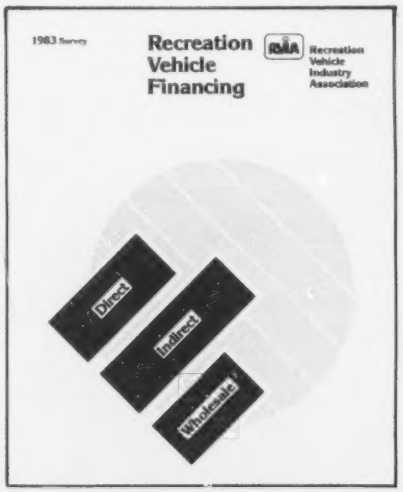

Financial Survey Shows Loan Profits

Results of RVIA's newly published "Fourth Annual Recreation Vehicle Industry Financing Survey" reveal that more than 90% (92%) of the financial institutions surveyed said their RV loan portfolios were as profitable or more profitable than their automobile loan portfolios. A total of 83% provide both types of loans.

The survey queried 4,100 financial institutions regarding their experiences in the direct, indirect and wholesale financing of family camping vehicles in 1982. Responses were received from 225 commercial banks, sales instalment finance companies, savings and loan associations and credit unions—representing a total of 5,708 operating locations.

The combined RV loan portfolios of the respondents totaled $1,484,409,000,

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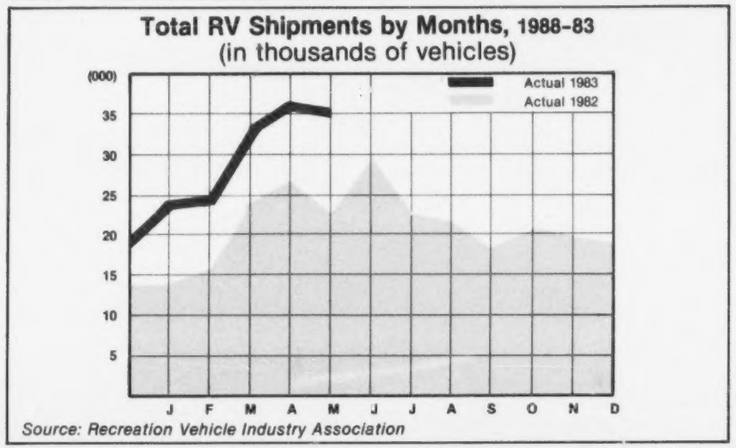


Source: Recreation Vehicle Industry Association

RV Shipments Still Climbing! Up 45%

Up a healthy 45%. That describes RV shipments through the first five months of 1983, according to shipment figures for May as charted by RVIA's Marketing Committee.

The Marketing Committee's monthly surveys of RV manufacturer shipments are continuing to show strong, steady increases in shipments to dealers. A total of 153,400 RVs have already been delivered this year; and shipments for the month of May alone were 35,100 units, up a whopping 51.3% from May 1982. These totals are the largest for the month of May in five years.

The largest percentage increase in deliveries among the three basic types of RVs—motor homes, multi-use and towables—was in multi-use vehicles, rising 65.2% so far this year. Deliveries of motor homes jumped 53.1% and towables climbed 25.2%.

In the motor home category, the largest units (conventional type A) surged 56.8%, followed by chopped vans, up 54.4% and van campers, up 31.6%.

In addition to increases in RV buying, consumer intentions to rent RVs—as regularly charted by the Survey Re-

(to page 3)

Headliner Freund *(from page 1)*

network. Complimentary shuttle vans will be at the hotel to take guests to the nearby Exposition Center.

Registration forms and a final program will be sent to all lenders well in advance of the event. The advance registration fee will be $30 per person. In addition to the program and tour, the fee also includes receipt of a Financial Executives Data Kit providing resource information on the RV Industry. Luncheon will not be served.

"While the program is structured especially for lenders, members of the RV community—dealers, manufacturers, suppliers—are urged to invite their lending officer," says Berner. "In fact, that is the only condition on which they will be admitted to the seminar. They must be accompanied by an executive of their financial institution."

In addition to Chairman Berner, other members of the RVIA Finance Committee include: Joseph Gessiness, Bangor Punta Acceptance Corp., Goshen, IN; J. Ron Hanna, Winnebago Acceptance Corp., Forest City, IA; H. James Hentz, Borg-Warner Acceptance Corp., Palatine, IL; Joseph L. Lombardo, American Acceptance Corp., Norristown, PA; Robert R. Rawlings, CIT Financial Services, New York, NY; and Gordon E. Gilbert, Coachmen Industries.

Camping Ranks High as Favorite Sport

Americans have been—and are—camping enthusiasts! In fact, camping continues to be one of America's favorite sporting activities with millions of campers using RVs, according to a new study released by the A.C. Nielsen Company.

The Nielsen study found that 60 million Americans (or one out of every four persons) camped last year. It predicts the number of campers will increase to 61.6 million by 1985 and will swell to 64.4 million by 1990.

Americans' love affair with camping exceeds the popularity of bowling, boating, jogging, softball, tennis, skiing, hunting, golf, ice skating, soccer, billiards, and even physical conditioning.

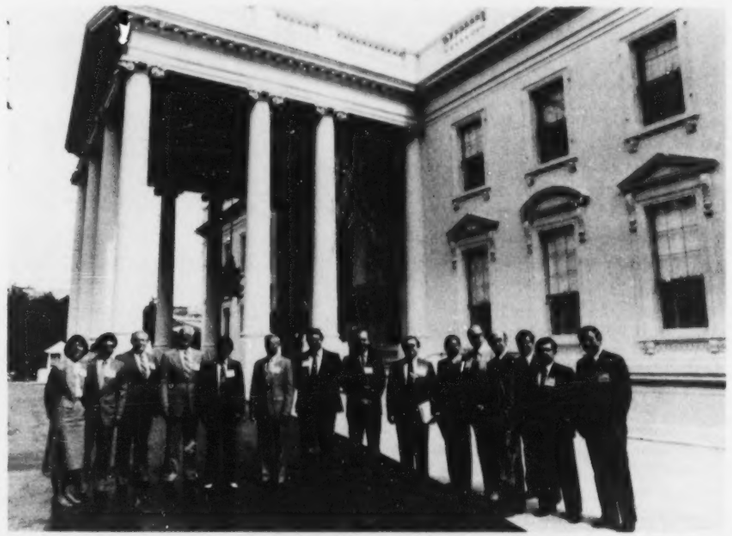
In exploring America's desire for camping, the study found that there are nearly as many RV campers (39.1%) as there are tent campers (44.6%) and more than twice as many RVers as there are backpackers (11.1%).

The Nielsen findings were announced in RVIA's Year-End Report for 1982, published by RVIA's Marketing Committee. In addition to its section on the RV camping consumer, the report primarily covers current and historical RV industry sales figures, collated from an annual survey of RV manufacturer shipments.

The figures show RV sales have steadily increased in recent years—up 32% in 1981 and climbing 8% in 1982.

The report also provides data on the RV marketplace, according to RV category, state and region of the country, market share by category, retail value and market structure by category and length.

60 Million Americans (one of every four persons) went camping in 1982—their legion predicted to increase to 61.6 million by 1985 and 64.4 million by 1990.


Fifteen representatives of RVIA were among 50 corporate leaders taking part in the American Recreation Coalition's 2nd annual Recreation Industry Forum in Washington in June.

Congressional and Federal Leaders Discuss Recreation Priorities at ARC Forum

In a series of frank and lengthy discussions with key federal officials, fifty of the nation's top recreation industry executives tackled the thorny issues of recreation program funding, natural resource management, energy policies and other long-range challenges facing outdoor recreation in America.

The occasion was the second annual meeting of the Recreation Industry Forum, sponsored by the Washington-based American Recreation Coalition (ARC) and held in early June in Washington. At the end of the two-day session, the corporate leaders concluded that while there are no easy solutions, expanded opportunities for outdoor recreation are possible through coordinated public/private sector efforts.

Congressional and Administration officials participating in the Forum included Senator Henry M. Jackson, a leading member of the Senate's Energy and Natural Resources Committee; Senator Roger W. Jepsen, Chairman of the Joint Economic Committee; Representative William H. Boner, Chairman of the U.S. Congressional Travel and Tourism Caucus; John Snyder, Acting Under Secretary for Travel and Tourism, and Michael J. Bayer, Associate Deputy Secretary, U.S. Department of Commerce; Jonathon Vipond, III, Deputy Assistant to the President for Public Liaison; Russell Dickenson, Director, National Park Service; F. Dale Robertson, Associate Chief, U.S. Forest Service; and Gary A. Robbins, Director of Applied Econometrics, U.S. Department of the Treasury.

In addition to in-depth discussions with these government representatives, Forum highlights included a briefing on the state of the world and domestic energy markets by C. J. Silas, President of Phillips Petroleum Company.

Progress Evident

Progress in efforts to make the nation's political leaders more aware of the economic and social importance of outdoor recreation in America was clearly evident at this year's Forum. Senator Jepsen and Representative Boner underscored the positive impact of the outdoor recreation industry, while Senator Jackson pledged his active support for ARC's legislative campaign to create a national outdoor recreation commission.

Coleman of Coleman

In addition to discussions with public figures, this year's Forum was capped by a stirring address by Sheldon Coleman, dynamic octogenarian Chairman

(to page 6)

Loan Profits *(from page 1)*

which represented an average of 5.03% of the total loan portfolio of each financial institution.

Indirect Loans Biggest Share

According to the survey, most of the dollar volume of RV loan outstandings (59%) were in indirect RV loans. Direct (two-party) loans to RV buyers comprised 23% of their portfolios and 18% were wholesale loans to dealers or manufacturers.

Pleased with the performance of their RV portfolios, almost all respondents (98.5%) said they will continue their RV financing programs, with 44 percent planning to increase them. Of those who don't presently have an RV portfolio (most of whom were in the savings and loan category), 15% indicated they plan to start one in 1983.

Long-Time Lenders

A major finding of the survey was that almost half (48%) of the financial institutions reported they have been financing new and used RVs for more than 10 years with the average for all financial institutions at 10.79 years.

These and other findings are detailed in the survey, including information on delinquency and repossession rates and how loan values are determined. It also provides a section of marketing data on RV buyers including their credit habits, demographics and buying trends, as determined by studies made by the University of Michigan Survey Research Center, A.C. Nielsen Company and the American Bankers Association. Printed in two colors, the survey has easy-to-read graphics and text.

The survey was commissioned by RVIA's Finance Committee and conducted and analyzed by Jon Whitney & Associates of Whiting, Ind., independent marketing ana[illegible]opies of the survey are being s[illegible]lenders with this edition of *Financial Facts*. Additional copies are available for $5 plus 75 cents postage and handling from RVIA Publications Department, P.O. Box 204, Chantilly, Va. 22021.

Shipments Up *(from page 2)*

search Center of the University of Michigan—shot to 20.5% in May. The study also showed 3.8% are considering buying an RV in the next 12 months. Survey participants were asked the question: "Would you consider renting or buying a recreation vehicle in the next year or so?"

★ ★ ★
Special
Section

Summer, 1983

FINANCIAL FACTS

RV News from Coast to Coast

★ ★ ★
Special
Section

RV Sales Surge Ahead As Camping Trend Grows

"Surging sales will lead the recreation vehicle industry to its best year since 1978. Industry officials are extremely optimistic about the potential of their market for the next several years." That was the optimistic message given by RVIA's President and General Counsel David J. Humphreys, at the June annual conference of the Outdoor Writers Association of America (OWAA) in Wichita, Ks.

D.J. Humphreys

"The improvement in our economy is probably the most obvious reason for the surge," Humphreys said. "Along with the rosy energy picture, the economic turnaround is helping satisfy the pent-up demand that developed over the past few years for our products.

"We're also benefiting from a growing interest in low-cost camping vacations, a reflection of a trend among families to make the most efficient use of their vacation dollars," Humphreys stated. "An after effect of the recession is that being thrifty is now in style."

Other reasons for the industry's current success, Humphreys said, center around several broad-based trends within our society which are compatible with the RV lifestyle.

For example, he said, "the conservative mood of America today—the return to basics and the emphasis on strengthening the family--has helped make RVing more 'in' than ever before.

"It is also 'in' to be physically active and physically fit and to enjoy outdoor activities.

"Thirdly, the intensity of the debate concerning the policies of Secretary Watt show that Americans care a great deal about their right to outdoor recreation. In fact, I believe many people today are more concerned about threats to outdoor recreation than they are about threats to national defense."

Since these trends are likely to last several years, RV manufacturers are confident that the upturn will be stronger and last longer than most people expect, Humphreys noted.

Recreation Commission Proposed

Humphreys said the long-term outlook for the industry will benefit greatly from increases in the RV rental market and from the many new ideas and approaches that will be developed as a result of a proposed national commission that will study outdoor recreation.

The proposed recreation commission Humphreys referred to would be established by the National Outdoor Recreation Resources Review Act of 1983 which has been introduced in both the U.S. Senate and House of Representatives. The commission would conduct an 18-month study of recreation in light of current and future needs, and would propose ways of protecting and increasing outdoor recreation opportunities in the future.

"Public recreation programs in the U.S. today are largely unchanged from the time of the last major public policy review of our recreation resources in the early 1960s," said Humphreys, who also serves as chairman of the board of the Washington-based American Recreation Coalition. "Yet economic, demographic and technological changes of the last two decades have been dramatic."

"We need the commission to become a reality if we are to focus attention on the recreation needs of Americans, and head off any weakening of the present recreation delivery system caused by federal budgetary cutbacks."

The Goshen Times, Goshen, Ind.

RV Industry Leads Area Out Of Recession

It's season to buy RV

The Times, Hammond, Ind.

percent statewide of 10.2 ighest state is ere the unemployment rate will probably continue to improve in coming months, but the improvements will probably not be as dramatic. He said more people will come to the area as word of more jobs spreads to other areas. That

The Spokesman-Review, Spokane, Wash.

RV sales 'make the old heart feel good'

By ANN JOB WOOLLEY

DETROIT — Improving

...urers are running anything and every-thing there ...

...president of the ...mber Recreation ...lation says the in- ..."happened on a ...

over 82,700 in the period a year earlier, the Recreation Vehicle Industry Associa-tion says.

Among the three largest types of recre-ational vehicles:

● Sales of motor homes — the largest vehicles, which can cost upwards of $50,000 — ... 9 to $60

Houston Chronicle, Houston, Tex.

RV sales up 43 percent

...the Recreation Vehicle Industry Associa-

quarter was the highest since 105,103 were delivered in the first three months of 1979, the association says

"In most cases, when the economy gets bad, our industry seems to recover ... er," says Scott Pettey ... largest ...

Tribune Review, Greensburg, Pa.

ecovery Gives RVs A New Spin

...price under $10,000, ...sociation says

COMPANY NEWS

THE NEW YORK TIMES, MONDAY, JUNE 27, 1983

Recreation Vehicle Industry Gaining as Demand Revives

Charles and Kaye Anders had been looking at motor homes ... ars, but ...ch.

recreation vehicles will be shipped this year, the highest total ... Of that ...

the 1973-74 crisis, manufac- ...a lot of re... ...to improve ...omy, but ...motor h... ...sident of Recreat... says the ...ened o...

Youngstown Vindicator, Youngstown, Oh.

RV Industry Expecting 1983 to Be Good Year

Daily Press, Newport News, VA

Sun shines once again rs on recreation vehicles cited

David J. Humph... ...proxima... ...hicle In... ...stry ap... ...cial flu...

The best year for the in- ...dustry was 1972 when 582,... ...RVs were ... delivered. ...reatio... ...the oil increa...

By ROBERT GRAVES
Staff Writer
Wall Street Journal, New York, N.Y.

...government that affected sales ...

By ANN JOB WOOLLEY
Journal of Commerce, Portland, Ore.

...Improving economic news as ...ve of the outdoors and ...boosting sales of ...

DRIVE FOR MOBILITY

Motor home sales signal change in living styles

Recreation Vehicles Start Selling Better, Sparked by Falling Rates, Gasoline Prices

...in the ...anufac... ...hicles ...under ...the

JEFF McIVOR 8480
Journal of Commerce staff

"If you had to use one word to ...cribe American ...

State Journal, Lansing, Mich.

FRONT PAGE

...piled by moving companies show that about one in five Americans moves every ... and that ...

But an increasing number ...

By HARLAN S. BYRNE
...ter of THE WALL STREET JOURNAL

...written off as ...

"I've been thinking about buying an RV for a couple of years," he says, "but I've been waiting to see the economy start improv- ... Mr. La Due has summer reservations ... at Mount Rushmore.

tries Inc. of Forest City, Ia., is back up 7,000 members after tumbling to 4,500 mem-bers in 1980 from a peak of 20,000.

The biggest beneficiaries of the recr... ation-vehicle spurt are the dealers ma... ational vehicles.

Industry officials say sa... ...level in four years ... ...he old h... ...nmers, ...le Deal...

...do customers still ... ...manager for AT&T Homes... ...n be com...

Outdoor lovers put RVs on recovery road

The Record, Coatesville, Pa.

RV industry astounds forecasters

DETROIT (AP) — Improving economic news as well as Americans' renewed love of the outdoors and attempts to cut vacation costs are boosting sales of recreational vehicles.

Industry officials say sales are at their highest level in four years.

vehicles to d... over 82,700 ... the Recreat... tion says.

AMONG ... recreationa...

The recreational vehicle in- ...dustry continues to astoun...

The Daily Oklahoman, Oklahoma City, Okla.

Improving Economy Spurs Sales of Recreation Units

...RV dealer from La... ...CA's vice pres... ...re are only tw... ...le in this coun... ...rs and people wi... RV owners. Go... ...ge football game... ...g event and see...

San Jose News, San Jose, Calif.

Buying fever bites RV

N the era of high interest rates and ...gold-tinted gasoline, recreational vehi-...

snapped up. For instance, Stevens Creek Marine, a San Jose powerboat dealership, reported selling nine boats over the week-...

...and Toyota ... ...wheel base trucks and ...

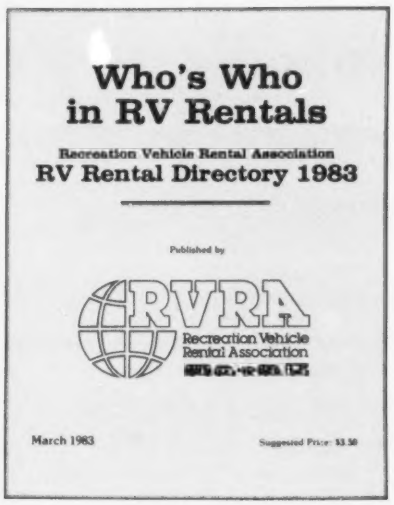
RV Rental Market Growing Nationwide

Renting an RV is an increasingly popular way for many families to take their annual vacations, and this popularity indicates a separate RV market in addition to the thousands of Americans who buy RVs—a market that can be profitable to lenders as well as to RV dealers and manufacturers.

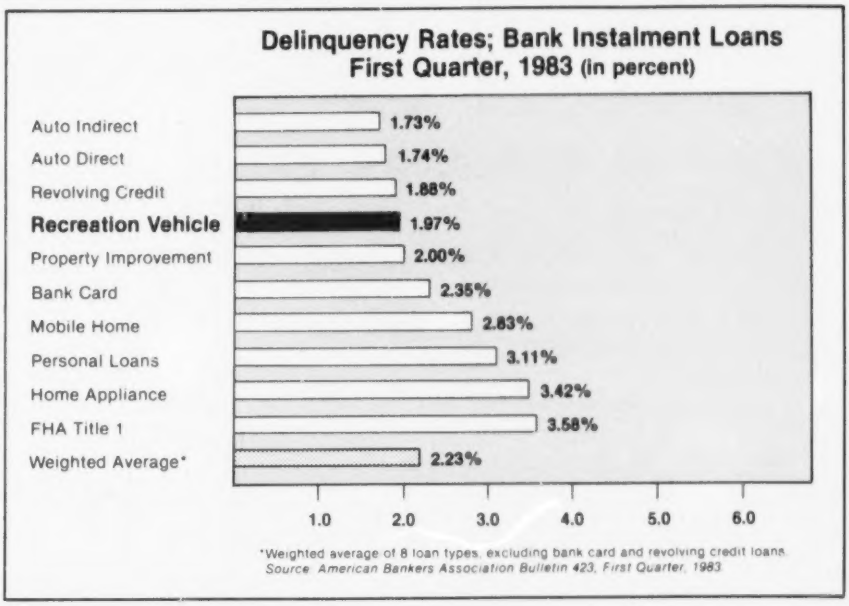
Increases in the number of RV rentals are continuing to be reported nationwide. Also, consumer intentions to rent RVs in the near future are also running high. A monthly survey of 700 people, conducted by the Survey Research Center of the University of Michigan, shows that in May (the latest month for which figures are available) a solid 20.5% of consumers were considering renting an RV in the next 12 months. This is compared to 13.4% in January.

Separate Rental Departments

To accommodate the rising demand, many existing RV rental programs are expanding and rental operations are being added to other RV dealerships to augment their existing sales programs. Rental programs are usually set up as special, separate departments from sales operations because they require their own bookings, maintenance and repair, check in-and-out, and other special managerial needs.



Industry officials predict that once more rental programs begin and there is increased availability of rental units, the demand will continue to climb even higher.


Delinquency Rates; Bank Instalment Loans
First Quarter, 1983 (in percent)
Auto Indirect 1.73%
Auto Direct 1.74%
Revolving Credit 1.88%
Recreation Vehicle 1.97%
Property Improvement 2.00%
Bank Card 2.35%
Mobile Home 2.83%
Personal Loans 3.11%
Home Appliance 3.42%
FHA Title 1 3.58%
Weighted Average* 2.23%
1.0 2.0 3.0 4.0 5.0 6.0
*Weighted average of 8 loan types, excluding bank card and revolving credit loans.
Source: American Bankers Association Bulletin 423, First Quarter, 1983

RV Buyers Continue to Repay Loans Promptly; First Quarter Delinquency Rates Stay Low

RV buyers consistently remain among the top in the loan repayment rates, according to 1983 first quarter loan delinquency figures from the American Bankers Association. RV loans, with only 1.97% delinquent in the first quarter, ranked fourth in a field of ten loan types charted quarterly by ABA.

In addition to RV loans, loans with the lowest delinquency ratings were: indirect auto loans (1.73%), direct auto loans (1.74%) and revolving credit loans (1.88%). All four loan types are far below the weighted average for delinquencies, which was 2.23% for the quarter.

"The continued prompt repayment rate for RV loans signals that RV buyers are serious about their RV ownership and are good credit risks," says Robert L. Berner, vice president of Citicorp in New York and chairman of RVIA's Finance Committee.

Other delinquency rates revealed by ABA's charting were: property improvement loans (2%), bank card loans (2.36%), mobile home loans (2.83%), personal loans (3.11%), home appliance loans (3.42%) and FHA Title I loans (3.58%).

ABA defines a delinquent loan as one that is 30 days or more past due.

The Recreation Vehicle Rental Association (RVRA) in Fairfax, Va., has just updated and expanded its directory, "Who's Who in RV Rentals," which contains 275 separate listings of RV dealerships across the U.S. and Canada that rent RVs. The directory is meant to be a convenient guide for RV renters, and "lots of orders for it come in every day," according to an RVRA spokesperson—once again signalling the popularity of RV renting.

The RVRA rental directory is available for $3.50 postpaid from: RVRA, 3251 Old Lee Highway, Fairfax, Va. 22030.

ARC Forum *(from page 3)*

of The Coleman Company, Inc. Coleman shared his deep concern that quality outdoor recreation opportunities be preserved for future generations. He told of his growing involvement in the work of ARC and his efforts to work with that organization to establish a national outdoor recreation commission. "There is a real possibility that government and the private sector can work together as partners for the good of recreation in America," Coleman said.

The American Recreation Coalition is a broadly based membership organization comprised of 90 national and regional associations and corporations active in the recreation field.

Aerodynamics Help RV Fuel Efficiency

Auto makers have been getting in the news recently because many of their 1983 model cars have rediscovered aerodynamic styling, and are selling well in the marketplace. Although the aerodynamic designs are not the only reason for brisk car sales, the fuel economy that results from the sleeker lines is a factor and a big selling point.

RV manufacturers, too, have been equally concerned with fuel economy and have been hard at work in aerodynamic restyling since the energy crunch of 1978-79. They, too, have been building sleek, more fuel-efficient RVs to increase their mileage and attract more customers.

Aerodynamics essentially works to increase gas mileage by reducing wind

Reduced Wind Drag

drag, allowing air to pass more easily over, around, and under the vehicle.

Aerodynamic styling of RVs has included—but not been restricted to—motorized RVs such as motor homes and multi-use van conversions. External storage pods and other exterior equipment placed atop units are featuring aerodynamic contours. There's also been an airflow deflector developed to be retrofitted at the top of older RVs, achieving a 5% increase in fuel efficiency in informal road tests.

Towing

In addition, aerodynamic designs of travel trailers and other towable RVs have been shown to increase the fuel efficiency of the towing vehicle. For instance, a 1981 test at the Bendix Automotive Proving Grounds showed fuel consumption of a tow vehicle was reduced 6% when aerodynamic styling was utilized on a travel trailer.

These and other advances RV manufacturers have made and are continuing to make in the area of aerodynamics are illustrated in RVIA's booklet titled "RVs . . . Designed for Energy Efficiency." Copies are available for $1.25 from the RVIA Publications Department, Box 204, Chantilly, Va. 22021.

More than 12,000 industry executives will attend RVIA's 21st Annual National RV Show, Nov. 29—Dec. 2 in Louisville, Ky., where 1984 RV models will be introduced to dealers and lenders (See Story page 1)

Acres of RVs will be on display at RVIA's Dodger Stadium Show in Los Angeles. About 120,000 camping enthusiasts are expected. The Show will be open to the trade Nov. 2-4 and to the public, Nov. 5-13.

Exhibit Space Sold Out for Louisville Show, Dodger Show Applications Ahead of Last Year

Almost half a million net square feet of exhibit space (458,846) has been assigned for RVIA's 21st Annual National RV Show, Nov. 29-Dec. 2, at the Kentucky Exposition Center in Louisville, making the upcoming fall show the largest since 1978 when 504,000 net square feet of space was assigned.

RV manufacturer space was sold out at the drawing with 419,046 net square feet assigned. RV component parts suppliers were assigned 398 booths, totaling 39,800 net square feet.

The Louisville Show is the most important event in the RV industry and is attended by more than 12,000 representatives of RV and automotive dealers, distributors, suppliers, manufacturers and support firms. It is not open to the public.

An additional 64,000-plus net square feet of exhibit space was assigned over last year's show drawing, continuing to reflect the upward turn of RV sales since 1981.

RVIA also holds a West Coast Show at Dodger Stadium in Los Angeles, Calif., and it is open to the trade Nov. 2-4 and to the public Nov. 5-13. Exhibit space for that show—the 31st Annual Recreation Vehicle and Manufactured Housing Show.

Exhibit space for the show was assigned at a drawing in L.A. on Aug. 4, and demand for space has already exceeded last year's show by 43%.

Vacationers Prefer Highway Travel

Traveling by highway—in RVs, cars and passenger trucks—will be the most popular way for Americans to take their summer vacations again this year, far ahead of airplane, bus and train travel, according to a recent survey by the U.S. Travel Data Center (USTDC) in Washington, D.C.

The survey, based on interviews with 6,000 adult Americans, found vacation travel overall will increase and summer trips will be longer and farther than last year.

At a May press conference to release the survey findings, Dr. Douglas C. Frechtling, director of the USTDC, singled out family camping vacations, saying "there will be 12% more campers in campgrounds across the nation this summer."

"In addition to what Americans told us in the survey," Frechtling said, "we expect a rise in RV traveling and camping this summer in line with the strong and continued rise there has been in RV sales."

"We don't expect people are buying RVs to let them sit in their driveways," he said.

Travel Industry Profile

Travel in the United States represents:

- 1.2 billion person trips taken by Americans traveling 100 miles or more away from home during 1981.
- The second largest retail industry in the U.S.
- One of the top three employers in 35 states.
- $191 billion in domestic and international spending, some 6% of the gross national product.
- The employment of 4.6 million Americans at every level of skill; indirect production of another 2.2 million supporting jobs.
- $40 billion a year in wages and salaries.
- $19 billion a year in federal, state, and local tax income.
- Large numbers of entry-level employment positions and a pre-eminence in the employment of women, young people, and members of minority groups.
- A highly diversified industry with one million component companies ranging from small travel agencies to large airlines and hotel chains, with 99% of these companies classified as small business.

Source: United States Travel Data Center, February 1983

Sen. Lugar (right) receives RVIA testimonial from RVIA Chairman Jacobson.

RVIA Honors Lugar

The Honorable Richard G. Lugar, United States Senator from Indiana, was recently honored by RVIA with its National Legislative Award "in recognition of his steadfast concern for, cooperation with, and understanding of the RV industry and its role in enabling Americans to enjoy the benefits of outdoor recreation." The presentation was made by RVIA Chairman of the Board Norm Jacobson at the association's May 19 board meeting in Arlington, Va.

Reach-Out to Lenders Planned for Fall

RVIA's Finance Committee, as part of its continuing Reach-Out Program to facilitate communication between the RV industry and the financial community, is planning to participate in the following financial expositions and conferences this fall.

William R. Garpow, RVIA vice president and staff liaison to the Finance Committee, will be a panel participant at the Consumer Bankers Association in Scottsdale, Ariz., on September 27 on the subject of "Developing a Recreation Vehicle Portfolio," and will head RVIA's exhibit at the U.S. Savings and Loan League's annual meeting in San Francisco, November 14-16. Arrangements are being finalized for his participation as a panelist at the fall conference of the American Financial Services Association.

Plans have also been made for next spring for Garpow to be in attendance at the RVIA exhibit at the American Bankers Association Retail Financing Conference in New York, April 8-11.

RV FINANCIAL FACTS

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